



Interim report Fourth quarter 2008



Northern
Logistic Property ASA

Highlights

The operating performance for NLP has been satisfactory in 2008 with a revenue increase of 14% and an increase in operating income before fair value adjustments of 10%. However, higher risk premium and consequently increasing yields resulted in significant fair value adjustments which negatively affected reported operating income and net earnings. NLP expects continued stable cash flow generation.

- Rental income for the quarter was NOK 105m (NOK 87m) and for the full year NOK 379m (NOK 332m). Operating income before fair value adjustment was NOK 85m (NOK 75m) and for the full year NOK 315m (NOK 288m).
- Annual contractual rent level at year end was NOK 456m, based on currency rates as of December 31, with an average remaining duration of current rental contracts of 7.3 years and vacancy of 2.1%.
- Recurring earnings increased approx. 16% from the fourth quarter 2007 and the full year increase was approx. 27%. Recurring earnings was NOK 117.0m for the full year, or NOK 4.40 per share.
- Fair value adjustments of properties were negative with NOK 218m for the quarter and negative NOK 542m for the full year. Total value of the investment properties was NOK 5,748m at December 31, 2008. Net yield was 7.2%, vs. 6.7% at Sep 30, 2008.
- Net cash generated from operating activities was NOK 81.2m for the full year, or NOK 3.05 per share.
- At the end of 2008 the company had total borrowings of NOK 4,785m. Cost of debt at year end was 5.0% (5.3%). Scheduled repayments for these loans for the next twelve months are NOK 108.5m.
- 50% (NOK 180m) of the outstanding bonds was repaid as of year end and maturity of part of the bonds was renegotiated to maturity in the second quarter 2011.
- Cash and cash equivalents at December 31, 2008 stood at NOK 208.7m.
- Total equity NOK 967m at year-end (NOK 1,536m), equity ratio 16% (25%).
- Net asset value per share was NOK 36 per share at year end.



Operating performance

The results for the fourth quarter of 2008 include the operations of 24 properties compared to 19 properties at the end of 2007. Five new properties were included from October 2008. In 2007 the company acquired three properties in February and one in July.

Key figures

3 months ended Dec. 31	3 months ended Dec. 31		12 months ended Dec. 31	12 months ended Dec. 31
2008	2007	(in NOK millions, except otherwise indicated)	2008	2007
105.4	87.0	Total revenue	378.8	331.5
20.8	12.5	Operating expenses	63.5	43.7
84.6	74.6	Operating income before FVA	315.3	287.8
(217.7)	18.6	Fair value adjustment properties (FVA)	(541.8)	111.3
(133.1)	93.2	Operating income (EBIT)	(226.5)	399.1
(260.8)	(66.7)	Net financial items	(429.1)	(106.8)
(288.5)	16.5	Net earnings	(477.9)	208.8
14.1	28.5	Cash flow from operating activities	81.2	133.3
5 748.4	5 308.1	Investment property fair value	5 748.4	5 308.1
6 177.2	6 110.1	Total assets	6 177.2	6 110.1
967.0	1 536.4	Shareholders' equity	967.0	1 536.4
4 577.1	3 697.7	Net interest-bearing debt, net of cash	4 577.1	3 697.7
26.6	26.9	Period end shares outstanding (millions)	26.6	26.9
26.6	27.0	Weighted average shares outstanding (millions)	26.6	23.6
(10.86)	0.61	Basic earnings per share, NOK	(17.97)	8.83
0.53	1.05	Cash flow from operations per share, NOK	3.05	5.64
36	57	Shareholders equity per share, NOK	36	57
16 %	25 %	Equity ratio	15.7 %	25 %

Results

Fourth quarter revenue was NOK 105.4m, compared to NOK 91.2m in the third quarter and NOK 87.0m in the fourth quarter prior year. Revenue for the full year amounted to NOK 378.8m, which was an increase of 14.3% from NOK 331.5m in 2007. The increase was mainly driven by acquisitions and CPI adjustments of rents.

At the end of the year the company had an annual contractual rent level of NOK 456m, based on currency rates as of December 31.

Total operating expenses for the quarter were NOK 20.8m (NOK 12.5m) and NOK 63.5m for the full year (NOK 43.7m). For the twelve months period maintenance and other property expenses amounted to 8.5% of revenue, compared to 7.6% in 2007. General and administrative expenses were NOK 31.2m for the full year, which was a significant increase from NOK 18.4m in 2007. The increase was mainly driven by

one-off costs totalling NOK 9.7m, due to severance pay and other costs related to the change of CEO, the closure of the Helsingborg office and acquisition costs.

Operating income before fair value adjustments was NOK 84.6m for the fourth quarter (NOK 74.6m) and NOK 315.3m for the full year 2008 (NOK 287.9m). Excluding one-off costs, full year operating income before fair value adjustments increased by 12.9% from 2007.

Fair value adjustments of investment properties were negative NOK 217.7m in the fourth quarter and negative NOK 541.8m for the full year. This corresponds to a decrease in property value of 3.8% in the fourth quarter and 9.4% for the full year.

This adjustment is based on the company's assessment of the core parameters impacting on the value of the investment properties, and is mainly driven by an

increase in yield levels and risk premium. An external valuation is also performed at the end of each quarter.

Based on the company's assessment and valuation, the value of the NLP's investment properties was NOK 5,748.4m at December 31, 2008. The net increase in value compared to year end 2007 of NOK 440.3m is driven by acquisitions and foreign exchange gain on investment properties offset by fair value adjustments.

Operating loss (EBIT) after fair value adjustments was NOK 133.1m for the quarter and NOK 226.5m for the full year 2008 compared to operating income of NOK 93.2m for the quarter and NOK 399.1m for the year in 2007.

Net financial loss was NOK 260.8m for the fourth quarter (NOK 66.7m) and NOK 429.1m for the full year (NOK 106.8m). The net financial loss in the fourth quarter includes a fair value adjustment loss on derivatives of NOK 211.3m, driven by a decrease in interest rate levels and weak Norwegian kroner at year end. Other items amounted to a loss of NOK 49.5m in the fourth quarter of which net interest expense was NOK 59.8m, FX gain NOK 17.6m and other financial expenses of NOK 7.3m. NLP incurred one-off financial costs of NOK 5.1m related to amendments to the bond agreement.

At year end the company had eight interest derivative contracts and one currency derivative contract to mitigate interest and currency risks.

In November 2008 NLP renegotiated three interest rate swaps to a longer duration and lower fixed interest rate and entered into a new interest rate swap agreement relating to the floating interest part of the loan with HYPO Real Estate Bank International AG. The estimated annual reduction in interest expense for NLP until termination of the agreements was NOK 9.7m (SEK 11.2m). The change in interest is effective from January 15, 2009.

Average interest and margin paid on the loan portfolio was 5.0% at the end of the year, compared to 5.3% at the end of 2007.

Loss before income taxes was NOK 393.9m for the fourth quarter and NOK 655.6m for the year, compared to profit before income taxes of NOK 26.5m for the fourth quarter 2007 and NOK 292.4m for the full year

2007. The decline was caused by the impact of fair value adjustments on the property portfolio and financial derivatives, which were only partly offset by improvements in the underlying operations.

Income taxes amounted to NOK 177.7m (income) in 2008 (expense of NOK 83.6m). Effective tax rate declined to 27.6% from 28.6% in 2007. The decrease in effective tax rate is a result of new taxation rules in Sweden, effective from 2009. Corporate income tax rates were reduced from 28% to 26.3% to encourage competition and attract capital to the Swedish market.

Net loss after taxes was thus NOK 477.9m in 2008 (net profit of NOK 208.7m). This corresponds to negative earnings per share of NOK 18.0

Balance Sheet

As a result of adjustments in fair value, financial derivatives were accounted for as net liability of NOK 178.1m as at December 31, where of interest rate swaps made up NOK 165.7m. At the end of 2007, financial derivatives were included as net assets of NOK 114.7m.

Cash and cash equivalents at the end of the fourth quarter stood at NOK 208.7m, down from NOK 512.4m at the end of the third quarter 2008. The decline is explained by payment for the acquisition of five new properties from Kungsleden AB in October 2008, repayment of 50% of the outstanding bond loan of NOK 180m by year-end.

Total equity at the end of the year was NOK 967m (NOK 1,536m). Due to the fair value adjustments of properties and financial derivatives, the equity ratio declined to 15.7% from 25.1% at the end of 2007. On December 31, the company held 522,697 of its own shares.

Net asset value (NAV) was NOK 36 per shares at the end of 2008, compared to NOK 57 at the end of 2007. Payment of dividends to shareholders amounted to NOK 3.00 per share.

Cash-flow

Net cash generated from operating activities was NOK 81.2m for 2008, or NOK 3.05 per share, down from NOK 133.3m (NOK 5.64 per share) in 2007.

Compared to 2007, cash flow from operating activities was negatively affected by cash outflow on foreign exchange forward contracts in 2008, one-off expenses, and increased working capital.

Net outflow from investing and financing activities was NOK 473.6m in 2008, mainly driven by acquisitions (net NOK 162.1m), payment of dividends (NOK 79.6m), capital expenditure on investment property (NOK 23.3m), repayment of borrowings (NOK 211.2m), and purchase of own shares (NOK 23.6m).

The property portfolio

As of December 31, 2008 the property portfolio comprised 24 logistic properties with a lettable area of approx. 804.000 square meters and a fair value of NOK 5,748.4m

The valuation implies an estimated net yield of 7.2% assuming maintenance and other operating costs of 8% of revenue. This compares to 6.7% at the end of the third quarter. The increase is driven by increase in risk premiums. There have been very few transactions in comparable properties during the quarter, as well as during the year as a whole. In our property valuation NLP has incorporated the uncertainty in the market with respect to valuation of properties and increased cost of capital.

On October 1, 2008 NLP acquired five logistics properties strategically located in central logistics clusters in Sweden from Kungsleden AB. The acquisition price was SEK 600m. The properties are of high quality and are located in Gävle, Mjölby, Ängelholm and Göteborg. All properties are fully let with an average combined remaining lease term of approximately 10 years. Lettable area is approximately 109,500 sqm. The largest tenants are Runsven AB, Lindex AB and Clas Ohlson AB, which together account for 75% of the yearly net rental income of SEK 42 million.

Annual estimated contractual rents at the end of the quarter are NOK 456m (exchange rates as per December 31) with an average remaining duration of current rental contracts of 7.3 years and vacancy of 2.1%.

Financing

At the end of 2008 the company had total borrowings of NOK 4,786m. Scheduled repayments for these loans for the next twelve months are NOK 108.5m. Net debt, adjusted for cash and cash equivalents was NOK 4,577m at the end of the year.

Net debt was 79.6% of total value of the investment properties at the end of 2008, as compared to 69.7% at the end of 2007.

To fund the acquisition from Kungsleden the company entered a financing commitment totalling SEK 420m with interest corresponding to 3 months STIBOR plus a margin of 1.20%.

The company has entered into interest rate swaps relating to the credit facilities. Average remaining duration at the end of the year was 3.5 years and average fixed interest was 3.7% (excluding loan margin). The ratio of loans hedged or with fixed interest at the end of the year was 90%.

On December 23, 2008 a bond holders' meeting was held and amendments proposed by the company were adopted. The maturity date for a part of the bond loan has been renegotiated so that final maturity is Q2 2011 from previous bullet repayment in Q3 2009. NLP repaid 50% of the bond loan on December 31 2008 and the remaining loan will be paid off using operational cash flow. The adopted amendments give the company greater financial flexibility and secures financing for ongoing and started projects. The limitations to dividends will be waived as soon as the bonds are repaid. The company has a right to call the bonds. (See note 6 for details to the amendments to the bond agreement)

Subsequent to the external valuations of the properties performed at the end of the quarter, available cash flow from certain holding companies will remain restricted according to the loan agreements. The restrictions are mainly related to payment of interest on intercompany loans and dividend distributions. Those restrictions will be removed as LTV improves over time. In two Holding companies and their subsidiaries NLP has taken steps to avoid default of covenants as defined in the loan agreements to be present.

Organization

Northern Logistic Property optimizes its organization by restricting its complement of personnel to strategic managers focusing on the initiation and execution of investments. Services benefiting from larger scale will be outsourced to professional organizations.

The company has entered into an agreement with Omnia for technical property management, except where this function is performed by the tenants themselves. Financial and administrative property management is carried out by Matrisen, Omnia and First Business Services.

CFO Erik Dahl announced his resignation in October 2008 and left the company during the first quarter in 2009. After Mr. Dahl's resignation NLP has a staffing of 3 employees and is in a process of recruiting one additional employee to be situated in Sweden with focus on operations.

Subsequent events

In February NLP entered into a forward start interest rate swap agreement with notional value of SEK 250m, a term of 5 years and fixed interest of 3.94%. Effective date for the agreement is October 17, 2011.

Market Development and Outlook

The financial climate is still challenging and all markets are impacted. For the real estate market in general, the limitations in available loans has translated to a dramatic reduction in turn over of properties. The observed yield has increased significantly compared to one year ago. Logistics is a derived service where growth relies heavily on growth in GDP and trade and it is expected that the current downturn will impact this sector on line with the general

economy. Structural changes such as the ongoing consolidation in the industry, as well as the trend towards regional distribution centres, will sustain strong demand in prime locations. This is further supported by the increased market share of third party logistics and an expected increase in sale and lease back activity. However, until adequate funding returns the sale and lease back activities will most probably be delayed. The logistics market has seen very limited speculative building and this should limit the downside.

We still expect to see medium term rental pressures in secondary locations, accompanied by continued strong rental levels in prime locations.

NLP's rents are linked closely to CPI and rents are on average adjusted by approximately 3,8% from the beginning of 2009. For NLP, this should result in a stronger cash flow.

Oslo, February 16, 2009

Board of Directors
Northern Logistic Property ASA

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This interim report has not been reviewed by the company's auditor.

The financial calendar including next reporting dates is published at www.nlpasa.com.

For more information please contact:
Per Gunnar Rymer, CEO
e-mail: per.gunnar.rymer@nlpasa.com
phone: +47 90777627

Condensed consolidated income statements

3 months ended Dec. 31			12 months ended Dec. 31	
2008	2007	(NOK '000, except for earnings per share)	2008	2007
105 414	87 029	Total revenue	378 786	331 528
12 615	7 540	Maintenance and other property expenses	32 136	25 223
8 181	4 899	General and administrative expenses	31 167	18 402
39	34	Dereciation & Amortization	156	76
84 578	74 556	Operating income before FVA	315 327	287 828
(217 723)	18 626	Fair value adjustment of properties (FVA)	(541 802)	111 284
(133 145)	93 182	Operating income	(226 476)	399 111
4 167	6 759	Interest income	22 107	17 621
(63 958)	(56 521)	Interest expenses	(229 004)	(208 223)
(211 345)	(27 987)	Fair value adjustment derivatives	(228 400)	96 181
10 367	11 027	Other financial items	6 204	(12 335)
(393 913)	26 460	Earnings before income taxes	(655 569)	292 355
105 418	(9 951)	Income taxes	177 666	(83 602)
(288 495)	16 508	Net earnings	(477 904)	208 754
26 570	27 045	Weighted average shares outstanding ('000)	26 598	23 645
(10.86)	0.61	Basic earnings per share, NOK	(17.97)	8.83
(10.86)	0.61	Diluted earnings per share, NOK	(17.97)	8.83

Weighted average rate for the full year 2008 converting SEK to NOK was 85.47 and DKK to NOK 110.29 (2007 average rate converting SEK to NOK was 86.68 and DKK to NOK 107.05)

Condensed consolidated balance sheets

(NOK '000)	at December 31	
	2008	2007
Assets		
<i>Non-current assets</i>		
Investment property	5 748 355	5 308 055
Other tangible assets	566	702
Derivatives	-	116 376
Deferred income tax assets	135 429	44 337
Total non-current assets	5 884 351	5 469 470
<i>Current assets</i>		
Trade and other receivables	68 924	58 708
Derivatives	15 271	-
Cash and cash equivalents	208 663	581 892
Total current assets	292 857	640 600
Total assets	6 177 208	6 110 070
Shareholders' equity and liabilities		
<i>Shareholders' equity</i>		
Total shareholders' equity	966 962	1 536 428
<i>Non-current liabilities</i>		
Borrowings	4 671 720	4 248 603
Derivatives	180 947	465
Deferred income tax liabilities	565	98 636
Total non-current liabilities	4 853 232	4 347 704
<i>Current liabilities</i>		
Trade and other current liabilities	230 520	193 724
Borrowings	114 081	30 984
Derivatives	12 413	1 231
Total current liabilities	357 014	225 939
Total shareholders' equity and liabilities	6 177 208	6 110 070

Currency exchange rate applied at December 31 converting SEK to NOK was 90.42 (84.55 in 2007) and DKK to NOK 132.38 (106.75 in 2007).

Rent invoiced in advance is accounted for gross in the balance sheet as of December 31, 2007 and 2008. The corresponding item has been reported net in the Annual report for 2007.

Changes in consolidated shareholders' equity

(in NOK '000, except for number of shares)	Number of Shares	Share Capital	Additional paid in capital	Retained Earnings	Other equity	Total
Balance as of January 1, 2008	26 877 908	27 092	1 301 057	232 527	(24 248)	1 536 428
Sale/buy back of own shares	(308 297)			(13 070)		(13 070)
Transfer from premium fund to distributable equity			(676 000)		676 000	-
Dividends distributed					(79 624)	(79 624)
Net earnings				(477 904)		(477 904)
Derivatives net of tax					(54 807)	(54 807)
Translation adjustments					55 939	55 939
Balance as of December 31, 2008	26 569 611	27 092	625 057	(258 447)	573 260	966 962
Balance as of January 1, 2007	18 000 000	18 000	823 377	32 622	25 227	899 226
Share issuance January 21, 2007	2 075 470	2 075	107 924			110 000
Share issuance June 20, 2007	7 000 000	7 000	388 500			395 500
Share issuance July 3, 2007	16 838	17		919		936
Share issuance costs net of tax			(18 745)			(18 745)
Buy back of own shares	(214 400)			(9 768)		(9 768)
Net earnings				208 754		208 754
Derivatives net of tax					12 931	12 931
Translation adjustments					(62 406)	(62 406)
Balance as of December 31, 2007	26 877 908	27 092	1 301 057	232 527	(24 248)	1 536 428

Condensed consolidated statements of cash flows

3 months ended Dec. 31			12 months ended Dec. 31	
2008	2007	(NOK '000)	2008	2007
		Cash flow from operating activities		
14 081	28 515	Net cash generated from operating activities	81 221	133 260
		Cash flow from investing activities		
(510 228)	(431 202)	Purchase of investment property	(518 721)	(1 027 974)
(7 610)	(3 832)	Capital expenditure on investment property	(23 289)	(18 948)
425	-	Cash and cash equivalents in acquired companies	425	4 951
-	(787)	Purchases of property, plant & equipment	-	(787)
8 814	9 241	Interest received	25 730	13 839
(508 599)	(426 581)	Net cash used in investing activities	(515 855)	(1 028 919)
		Cash flow from financing activities		
356 664	337 330	Proceeds from borrowings	356 664	780 906
(182 957)	-	Repayment of borrowings	(211 156)	-
-	(100)	Proceeds from issuance of shares, net of costs	-	479 482
-	-	Dividends paid to company's shareholders	(79 624)	-
-	-	Purchase of treasury shares	(23 588)	-
173 707	337 230	Net cash generated in financing activities	42 296	1 260 388
(320 811)	(60 835)	Net change in cash and cash equivalents	(392 339)	364 729
512 363	640 513	Cash and cash equivalents at beginning of the period	581 892	235 556
17 110	2 214	Exchange gain / (losses) on cash and cash equivalents	19 110	(18 393)
208 663	581 892	Cash and cash equivalents at the end of the period	208 663	581 892

Notes to the condensed consolidated interim financial statements

1. Reporting entity

Northern Logistic Property ("NLP" or the "Company") is a company domiciled in Norway. The condensed consolidated interim financial statements of the Company as at and for the twelve months ended December 31, 2008 comprised the Company and its subsidiaries (together referred to as the "Group").

The consolidated financial statements of the Group as at and for the year ended December 31, 2007 are available upon request from the Company's registered office at Karl Johans gate 16B, 0154 Oslo, or at www.nlpasa.com.

2. Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended December 31, 2007.

These condensed consolidated interim financial statements were approved by the Board of Directors on February 16, 2009.

3. Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended December 31, 2007.

4. Estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's

accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2007.

5. Investment properties

During the twelve months ended December 31, 2008, NLP acquired five logistics properties (NLP Partille 1 AB, NLP Ängelholm 1 AB, NLP Gälve 1 AB, NLP Mjölby 1 AB, NLP Mjölby 2 AB), strategically located in central logistics clusters in Sweden from Kungsleden AB. The agreed acquisition price was SEK 600m.

On June 30, 2008 NLP signed an agreement with Brinova Fastigheter AB for an extension of the property in Haninge, Stockholm. The investment is estimated to be SEK 90m, with expected finalization second half of 2009.

During the twelve months ended December 31, 2007, NLP acquired four subsidiaries. NLP Klippan 1 AB, NLP Klippan 2 AB and NLP Trelleborg AB were acquired from Brinova Fastigheter AB based on an agreed property value of SEK 445m. Lillsjövägen 52 AB was acquired from Lillsjövägen 52 AS based on an agreed property value of SEK 214m. In addition NLP acquired through its fully owned subsidiary Kornmarksvej 1 AS the property Kornmarksvej 1 in Copenhagen from DSV A/S for DKK 395m.

6. Loans and borrowings

During the twelve months period ended December 31, 2008, NLP secured SEK 420m of debt financing with a loan margin of 120 bps above STIBOR. NLP has entered into fixed interest rate swap agreement corresponding 76% of the loan amount, at a weighted average term of 5 years and fixed interest of 5.5%.

As per December 31, 2007 remaining duration of all interest rate swap contracts was 8.9 years and average fixed interest was 4.2% (excluding loan margin). Effective January 15, 2008 the company has changed three of the interest rate swap

agreements to shorter duration and lower fixed interest rate. In November NLP renegotiated three interest rate swaps to a longer duration and lower fixed interest rate and entered into a new interest rate swap agreement with notional value of SEK 607m, a term of 3 years and fixed interest of 3.7175%. Subsequent to the changes, the average duration of NLP's interest rate swaps is 3.5 years (as per December 31, 2008) and the average interest rate is 3.7% (excluding the margin of the borrowings). The ratio of loans hedged or with fixed interest is 89.8%. The change in interest is effective from January 2009.

During the twelve months ended December 31, 2007 NLP secured SEK 340m of debt financing with a loan margin of 95bps above STIBOR. NLP has entered into fixed interest rate swap agreements corresponding to 75% of the loan amount, at a weighted average term of 9,8 years, at a fixed interest rate of 4,49% before loan margin. In addition NLP secured SEK 171m of debt financing with a loan margin of 75bps above STIBOR. NLP has entered into a fixed interest rate swap agreement corresponding to 73% of the loan amount, at a term of 2.9 years, at a fixed interest rate of 4.78% before loan margin. Finally NLP secured DKK 316m of debt financing with an average loan margin of 91.25bps above CIBOR. NLP has entered into a fixed interest rate swap agreement corresponding to 75% of the loan amount, at a term of 5.0 years, at a fixed interest rate of 4.4975% before loan margin.

NLP has during the twelve months ended December 31, 2008 repaid NOK 30.3m of debt according to agreed repayment schedules and NOK 180m of the outstanding bond after adopted amendments to the bond agreement.

The bond holders' meeting in December adopted the following amendments to the bond agreement:

- The provision on building of a debt servicing account as resolved in the bond holders' meeting on 2 October

2008 was set aside, and replaced by 50 % repayment of the outstanding bond debt on 31 December 2008 and amortization on the remaining bonds up until Q2 2011.

- NLP was given the right call the bond at price 100 % of par value,
- The bond interest was amended from 3 months NIBOR + 2.00 % p.a. to 3 months NIBOR + 4.25 % p.a.
- The dividend covenant was amended to no payment of dividends during the term of the bonds. Reduction of share premium fund, buy back of shares or similar or in other distributions to shareholders are not permitted without full redemption of the bonds.
- The amount on the debt servicing account, approx. MNOK 15, was released to NLP in connection with the first installment on 31 December 2008. The security on the debt servicing account is discontinued at the same time.

No repayments on borrowings were made during the twelve months ended December 31, 2007.

In two Holding companies and their subsidiaries, NLP has taken steps to avoid default of covenants as defined in the loan agreements to be present. For one of the holdings, NLP has initiated repayment of part of the loan and for the other to convert shareholder loan to equity.

7. Subsequent events

In February NLP entered into a forward start interest rate swap agreement with notional value of SEK 250m, a term of 5 years and fixed interest of 3.94%. Effective date for the agreement is October 17, 2011.

Definitions

Total revenue

Total revenue includes rental revenues and rent supplements such as tax, electricity etc.

Operating income (EBIT)

Operating income is the net result before interest, other financial items and tax.

Basic earnings per share

Net earnings divided by the weighted average number of outstanding shares in the period.

Cash flow from operations per share

Net cash generated from operating activities divided by the weighted average number of outstanding shares in the period.

Equity ratio

Shareholders' equity on the closing date in relation to total assets on the closing date.

Shareholders' equity per share

Shareholders' equity on the closing date in relation to the number of shares at the end of the period.

Shareholders

	Name	Country	No of shares	% stake
1	T KLAVENESS EIENDOM AS	NOR	2 680 634	9.9%
2	LIVSFORSIKRINGSSELSKAPET NORDEA	NOR	2 493 750	9.2%
3	NEWCO 2052 AB	SWE	1 261 600	4.7%
4	TRONDHEIM KOMMUNE	NOR	1 000 300	3.7%
5	SKAGEN VEKST	NOR	850 000	3.1%
6	VERDIPAPIRFONDET NORDEA NORGE	NOR	782 370	2.9%
7	SKIPS AS TUDOR	NOR	669 200	2.5%
8	CANICA AS	NOR	562 900	2.1%
9	NRP SECURITIES ASA MEGLERKONTO	MEG	539 900	2.0%
10	NORTHERN LOGISTIC PROPERTY ASA	NOR	522 697	1.9%
11	TOLUMA INVEST AS	NOR	465 800	1.7%
12	FIRST SECURITIES AS	NOR	408 300	1.5%
13	BANK OF NEW YORK, BRUSSELS BRANCH	BEL	334 786	1.2%
14	DEUTSCHE BANK AG LONDON	GBR	327 800	1.2%
15	VERDIPAPIRFONDET NORDEA AVKASTNING	NOR	325 700	1.2%
16	OPPLYSNINGSVESENETS FOND	NOR	235 910	0.9%
17	MP PENSJON	NOR	223 000	0.8%
18	JPMORGAN CHASE BANK	NOM	215 500	0.8%
19	BRAGE INVEST AS	NOR	213 000	0.8%
20	BANAN AS	NOR	210 600	0.8%
Total 20 largest			14 323 747	52.9%
All others			12 768 561	47.1%
Grand total			27 092 308	100.0%

Total number of shareholders: 968
Status as of 06.02.2009

About Northern Logistic Property (NLP)

NLP was founded in March 2006 and was listed on the Oslo Børs (Stock Exchange) in June 2007.

Today the portfolio consists of 24 logistic properties. This corresponds to a total lettable space of 803 thousand square meters.

Business concept

NLP's business concept is to invest, manage and develop logistics and warehouse properties.

Geographically the focus will be the Nordic area.

NLP will mainly invest in existing properties but may invest in development projects at acceptable risk levels.

Goals

NLP aims to become a leading property company in the Nordic area within logistics and warehouse properties. The short term target is to increase the portfolio to approx. 1 million square meters.

NLP's target is to distribute 50 per cent or more of its annual net profit (excl. non-cash items) as dividend.

Strategy

NLP will achieve its goals by being the distributors' or developers' preferred property owner with a long-term investment horizon and outstanding competence in financing solutions and technical standards. The organization shall be cost-efficient through an in-house core competence of strategic management while outsourcing services benefiting from scale such as property management to cooperation partners.

NLP will focus on investments in the Nordic countries. Important investment criteria are solid tenants, leasehold terms of 8 to 10 years, properties of > 10,000 sqm, and a pre-tax internal rate of return (IRR) above 13 per cent, based on 80% project financing. NLP strives to have a diversified tenant structure and properties with high technical standards.

Northern Logistic Property ASA
Karl Johans gate 16B
NO - 0154 Oslo
www.nlpasa.com